

## Advisory Report

September 25, 2013

(Updated September 30, 2013)

(Updated June 23, 2014)

### Key Findings:

- The Springfield Fire Department provides emergency services to nine pass-through fire protection districts surrounding the City, which do not have their own fire departments.
- No standardized mechanism exists to determine appropriate reimbursement for these services or tax levies within these districts.
- Each of these nine districts accrues a variety of administrative expenditures for its boards and legal fees.
- In light of the research presented below, the CEC recommends that the nine pass-through fire protection districts served by the City of Springfield, or select districts among this group, consider consolidating into a single district to receive continued services at lower administrative cost from the City of Springfield via intergovernmental agreement.  
  
The CEC further recommends, in conjunction with these considerations, that these districts alternatively consider contracting with outlying rural fire protection districts, if deemed appropriate upon additional local review.
- Further investigation of fire protection costs is advisable, and the CEC intends to address this topic further in a later recommendation.

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## Citizens' Efficiency Commission Recommendation:

### Evaluate Pass-Through Fire Protection Districts Served by the Springfield Fire Department

#### Introduction

This report represents a formal recommendation by the Citizens' Efficiency Commission (CEC). All information has been compiled, researched, and verified by the CEC and its volunteers. The Commission expresses its hope that relevant local leaders will review the recommendation and take strides toward its implementation.

**In light of the research presented below, the CEC recommends that the nine pass-through fire protection districts served by the City of Springfield, or select districts among this group, consider consolidating into a single district to receive continued services at lower administrative cost from the City of Springfield via intergovernmental agreement.**

**The CEC further recommends, in conjunction with these considerations, that these districts alternatively consider contracting with outlying rural fire protection districts, if deemed appropriate upon additional local review.**

The Commission stands ready to provide assistance to the greatest extent possible in the review and implementation process. The CEC may be interested in further review of efficiency considerations that develop based on this advisory report, or of other recommendations that may arise.

#### Background

Based on preliminary research, the Public Safety Committee of the CEC brought the following finding to the April 2012 meeting of the full Commission:

*A number of fire protection districts (FPDs) in Sangamon County receive service from other fire protection entities, and exist primarily as "pass-through" entities. These include Curran FPD, Eastside FPD, Lake Springfield FPD, Northside FPD, South Lawn FPD, South Oak Knolls FPD, Southside FPD, Western FPD, and Woodside FPD [as seen in Appendix B]. The Public Safety Committee requests the full support of the CEC to further research these districts' budgets and functions, and to explore efficiency opportunities that may exist in their administrative structures.*

Having received support for further research, the committee interviewed key personnel, such as board members, of a number of the relevant Fire



Protection Districts (FPDs) and City of Springfield budget and fire protection officials. The CEC recognizes that its recommendation regarding pass-through districts should be one component of a broader review of fire protection in the entire area of Sangamon County.

## **Efficiency Research Questions**

In reviewing suggestions and information obtained from public officials, the CEC focused on the following questions related to this matter:

- What is the relative efficiency and effectiveness of having nine independent FPDs and corresponding boards and administrative functions?
- What arrangements for fire protection are permissible under the State Fire Protection Act (70 ILCS 705)?
- What opportunities exist to utilize revenues more efficiently in pursuit of core emergency services?

## **Overview of Existing Services**

### *City of Springfield Fire Department*

The City of Springfield's Fire Department provides protection within Springfield's corporate limits, in the nine surrounding Fire Protection Districts by intergovernmental agreement, and as needed for other outlying FPDs under mutual aid agreements. It formally serves a population of approximately 139,000 as of the 2010 Census, of which 116,250 reside within the Springfield corporate limits.

Over the last three years, Springfield's Corporate Fund Fire Department Budget has ranged from \$30.5 million (FY2011) to \$34.2 million (FY2013 Requested), in addition to Capital Improvement Fund expenditures from \$22,500 (FY2011) to \$330,000 (FY 2013 Requested). Personal Services and Fringe Benefits make up the bulk of these expenditures at approximately \$29-31 million annually, which includes retirement contributions for current employees.

The Springfield Fire Department (SFD) responded to 16,431 total calls in 2011, of which 764 were fire calls and 9,527 were EMS calls.<sup>1</sup> The Department maintains 12 stations throughout the City of Springfield, with contract provisions requiring three-person minimum manning. SFD estimates that it will staff 228 personnel positions during FY2013. In addition to call responses, SFD provides fire prevention and safety education programs and code enforcement services.

### *Pass-Through Fire Protection Districts and Budgetary Data*

Nine FPDs contiguous to the City of Springfield contract with SFD via intergovernmental agreement to provide fire suppression and emergency medical services. All of these districts are adjacent to one another at one border at minimum. The districts each have a board of trustees that receive a minimal stipend and perform administrative functions, but none has volunteer or paid fire department personnel or fire protection equipment and apparatus. Following a number of anecdotal discussions, CEC believes that the majority of these districts came into existence in the mid-1900s due to resident desire to have fire protection

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<sup>1</sup> Springfield Fire Department 2011 Annual Report.

coverage without the need for overhead costs associated with the equipment or apparatus needed for a volunteer department.

On an annual basis, these districts reimburse the City of Springfield for fire protection services with the portion of their levies that remains after administrative costs. No set formula for determining these districts' levies exists, nor does the City provide a formula or standard fee for reimbursement. The levies are typically increased at the rate permissible under the Illinois Property Tax Extension Limitation Law (PTELL) and Truth in Taxation Law (TT) on an annual basis. In Table 1 below, the tax rates and levies for 2011 are displayed for each of the nine pass-through districts. Also displayed are the revenue figures the City of Springfield received for its services. On the basis of this information, the CEC has calculated estimated administrative costs (levy minus SFD revenues). The CEC assumed, based on information received from various pass-through FPD trustees, that no other costs are incurred by these districts.

**Table 1: Pass-Through FPDs Tax & Levy Information for 2011**

Fire Protection District	Tax Rate	Property Tax Levy Extended	Property Tax Received <sup>2</sup>	Reported Total Expenditures per AFR <sup>3</sup>	City of Springfield Revenues <sup>4</sup>	Estimated FPD Admin Costs <sup>5</sup>	Reported General/Other Expenditures per AFR	Fund Balance
<b>Curran</b>	0.2401	\$41,831	\$41,866	\$39,713	\$26,672	\$13,041	\$13,168	\$522
<b>East Side</b>	0.3166	\$109,633	\$109,707	\$112,613	\$113,835	(\$1,222) <sup>6</sup>	\$16,343	\$65,315
<b>Lake Springfield</b>	0.2806	\$97,560	\$97,513	\$98,658	\$190,000	\$8,658	\$8,658	\$25,747
<b>North Side</b>	0.2029	\$97,727	\$97,610	\$106,164	\$104,238	\$1,926	\$17,978	\$46,973
<b>South Lawn</b>	0.3212	\$70,396	\$70,282	\$64,272	\$61,563	\$2,709	\$6,868	\$0
<b>South Oak Knolls</b>	0.2840	\$146,594	\$146,581	\$147,373	\$135,419	\$11,954	\$7,063	\$6,000
<b>South Side</b>	0.3022	\$108,441	\$107,749	\$125,136	\$113,645	\$11,491	\$6,879	\$6,000
<b>Western</b>	0.3083	\$161,209	\$161,081	\$153,389	\$146,808	\$6,581	\$6,282 <sup>7</sup>	\$13,655 <sup>8</sup>
<b>Woodside</b>	0.3328	\$149,634	\$149,427	\$154,621	\$141,976	\$12,645	\$7,853	\$6,000
<b>Total</b>						\$69,005	\$91,092	\$170,212
<b>Average</b>						\$8,626	\$10,121	

As indicated in Table 1, on average, each FPD spends between \$8,000 and \$11,000 in administrative or general government costs. Moreover, the CEC found it significant that these nine districts hold over \$170,000 in total fund balances.

To provide estimate rough approximation of the level of service received in exchange for these revenues, the frequency of calls for each FPD is provided below. Call volumes vary

<sup>2</sup> Tax Rate, Tax Levy Extended, and Tax Received information provided by Sangamon County Treasurer's office.

<sup>3</sup> Illinois' Comptroller's Annual Financial Reports, 2011.

<sup>4</sup> City of Springfield FY2011 Actual Revenues.

<sup>5</sup> Estimated based on total expenditures minus Springfield Revenues.

<sup>6</sup> Negative number likely due to reporting difference between FY2011 AFR and FY2011 actual Springfield revenues. To provide a point of comparison, reported General Government/Other expenditures from FY2011 AFRs also detailed in Table 1.

<sup>7</sup> Calculated based on total expenditures minus intergovernmental agreement expenditures.

<sup>8</sup> Western FPD's fund balance is based upon CEC estimates derived from 2011 AFR and conversations with the district's accountant. Actual reported fund balance in 2011 was \$211,528, likely due to discrepancies in reporting style.

noticeably across pass-through districts due to the mixed population density of the districts. To provide a basis of comparison, both one-month June 2009 actual calls and annualized 2012 actual calls are included.

Table 2, below, also provides comparative figures for the number of housing units in each FPD and the median home value for these districts. The housing units data, coupled with the estimated annual calls, is used by the CEC as a surrogate measure of the level of fire protection demand that might exist in these districts. The median home value information is loosely telling in relation to both the age of homes, which can impact need for fire protection services, and the potential for residents to benefit from having fire protection services in place, due to the relationship between fire protection coverage and decreased rates on home insurance policies.<sup>9</sup>

**Table 2: SFD Estimated Calls for Service in Pass-Through FPDs**

<b>Fire Protection District</b>	<b>Housing Units (2005-2009 ACS)</b>	<b>Median Home Value (2005-2009 ACS)</b>	<b>One-Engine Response Calls (June 2009, Actual)</b>	<b>Annual Calls (2012 Actual)<sup>10</sup></b>
<b>Curran</b>	365	\$179,237	2	42
<b>East Side</b>	2,106	\$58,307	51	387
<b>Lake Springfield</b>	490	\$214,669	0	42
<b>North Side</b>	1,734	\$75,425	20	147
<b>South Lawn</b>	968	\$87,553	10	71
<b>South Oak Knolls</b>	760	\$225,420	7	53
<b>South Side</b>	1,664	\$76,497	24	178
<b>Western</b>	1,487	\$203,506	16	90
<b>Woodside</b>	1,700	n/a	26	208
<b>Total</b>			<b>156</b>	<b>1,218</b>

In the course of its research, the CEC attempted to determine actual costs for fire protection to these districts to see whether any of the jurisdictions involved were in fact subsidizing services provided to others. Because of the complexity and variety of methods for determining the costs and value for fire protection services, the CEC found that it did not have the information or expertise to perform this analysis. However, the CEC notes that fire protection can be viewed either on the basis of cost-for-service, or effectively as an "insurance policy" for properties in the areas served. The fact that both fire and EMS services are involved in modern fire protection further complicates considerations related to determining the true cost allocation appropriate to these districts.

Under the Fire Protection Act<sup>11</sup>, individual FPDs are required or allowed to perform the following basic functions:

- Provide adequate fire protection services for all persons and property within the boundaries of the district (Section 11); or contract with other FPDs or fire departments to provide service (Section 11a);

<sup>9</sup> North Carolina Department of Insurance. n.d. "A Consumer's Guide to Homeowner's Insurance." Available at: [http://www.ncdoi.com/Publications/Consumer%20Guide%20to%20Homeowners%20Insurance\\_CHO1.pdf](http://www.ncdoi.com/Publications/Consumer%20Guide%20to%20Homeowners%20Insurance_CHO1.pdf)

<sup>10</sup> Data provided by the City of Springfield, Office of Budget and Management and Springfield Fire Department.

<sup>11</sup> 70 ILCS 705, various sections.

- Annex surrounded unincorporated territory (Section 3.2)
- Acquire property (Section 10), even through the use of Eminent Domain (Section 10.5);
- Sell, lease, or exchange property (Section 10a);
- Provide grant funds to individuals installing fire suppressant systems (Section 11h);
- Administer civil penalties or fees on individuals responsible for false fire alarms (Section 6); and
- Charge non-residents of the FPD for services performed (Section 11f).

The following administrative functions are also allowed to individual FPDs:

- Appoint a fire chief (Section 6b), some personnel, and members to a board of fire commissioners (Section 16.01);
- Award monetary incentives to volunteer fire fighting personnel (Section 6f);
- Provide benefits to employees of the FPD (Section 6e);
- Execute a note or notes and enter into a mortgage or trust deed for the purposes of acquiring necessary property (Section 6d);
- Petition for the consolidation of the FPD with one or more adjoining FPDs (Section 14); and
- Hire a secretary to deal with daily administrative tasks (16.15), as well as set that position's pay (Section 16.18).

The legal obligations or capabilities of a FPD include:

- Pass all necessary rules, regulations, and ordinances associated with providing fire protection services (Section 6i);
- Employ the services of an accountant when the FPD is audited (Section 6.1);
- Issue bonds or borrow money (Section 12);
- Levy taxes to pay for statutorily-required services (Section 14);
- Levy special taxes (Section 24), and;
- Collect a direct annual tax to pay interest on debt (Section 13).

Most of the obligations detailed above apply to FPDs with the capacity to provide their own fire protection. For the purposes of this analysis, the primary obligation of the nine pass-through fire protection districts relates to the levying of taxes and other administrative functions necessary to meet statutory requirements and provide funding for the services covered via intergovernmental agreement by the SFD. An annual calendar that details legal requirements of the pass-through FPDs, provided by the attorney to a number of these districts, is attached as Appendix A.

In conversation with an attorney to a number of the pass-through FPDs, the CEC learned that the administrative and legal actions necessary to meet these statutory requirements have grown increasingly complex since the districts' creation, due to additional state requirements such as FOIA and OMA training, Economic Interest Statements for officials, Truth in Taxation requirements, and other added forms and functions.<sup>12</sup> While these requirements are not generally perceived as negative, they require more time of the jurisdictions' legal counsel and accountants, increasing administrative costs even in jurisdictions where very few functions are performed. Moreover, PTELL requirements prevent the districts from increasing revenues in spite of the pressures to provide more funding for services that result from increased costs for providing fire and EMS protection and increased pension liabilities.

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<sup>12</sup> Personal communication from Robert Stine, Attorney (August 19, 2013).



### *Foreign Fire Funding*

The Illinois Foreign Fire Insurance Fund (FFIF) is a fund comprised of revenues collected as a tax on insurance policies held with companies that are headquartered outside of the State of Illinois.<sup>13</sup> The funds are dispersed to fire departments throughout the state on the basis of insurance policy locations, to be used as the fire departments see fit within a set of statutorily defined parameters. Fire departments are required to create Foreign Fire Insurance Boards to manage the use of funds received, except in the case of volunteer FPDs, in which the FFI funds can be handled by the board of trustees. Currently, the Illinois Municipal League collects and distributes the tax on behalf of most of these FFI Boards.

In an April 2013 recommendation,<sup>14</sup> the Citizens' Efficiency Commission, while examining the broader framework for FFIF collection and expenditures, also recommended that all local fire protection districts consider levying/requesting FFIF. The CEC also recommended that local FPDs consider locally collecting and administering FFIF to avoid the 7% surcharge currently collected by the IML for fund administration.

These recommendations are relevant to a conversation on the pass-through fire protection districts because the majority of these districts do not levy for FFIF revenues. The revenues that could be generated by FFIF in the nine pass-through districts could augment current revenue streams and provide additional resources for the City of Springfield to provide fire protection in these areas. The revenues could also provide financial resources to assist in off-setting any costs incurred in the process of implementing recommended structural changes that may result from this examination of the pass-through districts. The amount of revenue that could be generated by levying for foreign fire insurance funds in these districts is unknown because it is dependent upon how many home insurance policies in these districts are held with insurance companies headquartered outside of the state.

### **Statutory Provisions for Cooperative Actions**

#### *Intergovernmental Agreement Capabilities*

The nine pass-through districts are considered corporate bodies and therefore have the ability to enter into intergovernmental agreements under the Illinois Intergovernmental Cooperation Act<sup>15</sup>. As such, agreements could be created to share some of the duties associated with the operation of the pass-through districts, eliminating duplicate work and costs "except where specifically and expressly prohibited by law." However, the pass-through districts already contract with the City of Springfield via intergovernmental agreement for their core emergency response functions. Although the CEC explored opportunities to share additional administrative functions, all of the remaining functions performed by the pass-through districts, including auditing, seeking legal counsel, and setting a levy, are all independent statutorily required functions, necessary to their existence as units of government, and likely could not be performed on a combined or shared basis without changes in State law.

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<sup>13</sup> Illinois Municipal League. "Foreign Fire Fund." 2013. Available at: <http://foreignfirefund.com/>.

<sup>14</sup> Citizens' Efficiency Commission (April 10, 2013). "Foreign Fire Insurance Funding Administration and Use." Available at: <http://www.co.sangamon.il.us/Departments/RegionalPlanning/documents/CEC/Foreign%20Fire%20Insurance%20Recommendation.pdf>.

<sup>15</sup> 5 ILCS 220/5.





### *Fire Protection District Consolidation*

However, under the Fire Protection District Act, FPDs are allowed to consolidate with one or more adjoining FPDs.<sup>16</sup> In order to initiate this process, 50 or more legal voters from each district considering consolidation must sign a petition in order for the consolidation measure to be granted a court hearing. This petition, among other things, must include the benefits and advantages of consolidation for the FPDs involved. It is the task of the court to determine each of the districts are adjoining and verify that each signatory is a legal voting resident of the district indicated. Once the court verifies that information, the court instructs the voting districts to place the referendum measure on their next election ballots. If passed, the separate districts cease to exist and a new district is organized in their place, held to the same powers, rights, duties, and obligations established under the Fire Protection District Act. A new board of trustees must be established to carry out all of their designated responsibilities, listed above. All pre-existing liens, debts, contracts, law suits, legal proceedings, titles, property, and employees associated with the previous FPDs are carried into the newly consolidated district.

### *Proposed Senate Bill allowing for Unified Fire Protection Districts<sup>17</sup>*

In February of 2012, an amendment to the Fire Protection District Act was introduced in the Illinois General Assembly that outlined a procedure for the creation and maintenance of a Unified Fire Protection District. Although this bill was not passed before the end of the legislative session, it provided an interesting approach to increasing the efficiency in fire protection districts that the CEC found to merit additional consideration.

The primary purpose of the proposed amendment was to provide contiguous local units of government with the opportunity to create unified fire protection districts via intergovernmental agreement and referendum. The proposed amendment, if passed, would have altered the existing opportunities related to fire protection consolidation by allowing units such as counties, municipalities, and townships to provide for a unified FPD via intergovernmental agreement and referendum, rather than providing opportunity for existing FPDs only to consolidate.

Outlined in the proposed bill are the petition, intergovernmental agreement, and referendum requirements that would take effect for proposed unified district procedures under the act if amended, which would vary from the consolidation measures already in place in the FPD Act. The proposed bill requires certain minimum standards of service to be agreed upon by each participating entity through an intergovernmental agreement outlined and approved by referendum. The intergovernmental agreement would be developed by a joint committee inclusive of members of all units of government and collective bargaining units involved. The bill also requires local units to ensure that there would be zero net increase in the cost of fire protection, that the proposed changes would not increase emergency response times, and that the intergovernmental agreement would limit the taxing authority of the proposed unified FPD.

Under the proposed amendment, a new, unified FPD could have an elected or appointed board. If an appointed board for a district entirely situated within in a single county, the trustees would be appointed by the county board executive. All previous fire fighting and

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<sup>16</sup> 70 ILCS 705/14.01 and following.

<sup>17</sup>SB3667 or "70 ILCS 705/30 new," as proposed by Sen. Terry Link during the 97<sup>th</sup> General Assembly, 2011-2012.



EMS personnel, contracts, outstanding bonds, notes, property, law suits, and legal proceedings will be carried into the newly unified FPD and integrated into a single command structure.

Finally, the bill proposed that any operational savings resulting from the unified district would be shared, with 50% dedicated to reducing property tax levies and 50% toward any existing fire pension liabilities.

## **Alternatives**

Several options are available to communities within Sangamon County in relation to fire district consolidation. These alternatives, where possible, include:

1. Maintain the status quo.
2. Consolidate the nine pass-through districts into one district, and continue to provide service on a contractual basis through the Springfield Fire Department.
3. Consolidate select pass-through districts into one district that continues to receive service from the SFD, and consider intergovernmental agreements or consolidation with outlying rural fire protection districts for appropriate pass-through districts.
4. Create a unified metropolitan fire district, encompassing all of Springfield and the surrounding nine pass-through districts.

**Alternative 1** – Maintain the status quo. This alternative would avoid the necessity of developing an appropriate cost-sharing formula, as well as the soft costs of crafting an intergovernmental agreement or petitioning to consolidate FPDs. Duplicative administrative duties would continue throughout the region while the different pass-through districts continue to levy varying taxes to receive the same level of fire protection service from the Springfield Fire Department.

**Alternative 2** – Consolidate the nine pass-through districts into one district. This alternative would eliminate any duplicative administrative tasks and processes within the nine pass-through FPDs. Since the functions that are still performed by the nine pass-through districts are those that cannot practically be combined via intergovernmental agreement, consolidation of these districts is the only available option to reduce these administrative costs. Under current statute, such a consolidation would require a referendum in each of the affected districts. This may create difficulties in coming to an agreed-upon a tax levy that could be standard across all of the jurisdictions currently assessed at different rates. In the event that these departments could be consolidated, however, the legal and accounting costs would be minimized, and only a single board would be needed to provide district oversight. With average administrative costs per district of between \$8,000 and \$10,000, a savings of \$64,000-\$80,000 annually, or \$400,000 over five years, could be generated across the districts.

**Alternative 3**— Consolidate select pass-through districts into one district that continues to receive service from the SFD, and consider intergovernmental agreements or consolidation with outlying rural fire protection districts for appropriate pass-through districts. This alternative would provide similar benefits to Alternative 2 in terms of reduced administrative costs to the districts, ultimately benefitting both the residents of the pass-through districts and the fire department/district providing services to the pass-throughs. However, this alternative suggests that the entities involved in providing fire protection to these areas should review performance metrics and historical service and demographic data to ensure





that the most efficient and effective arrangement for service is being utilized in the region. The CEC is currently undertaking analysis of appropriate cost sharing mechanisms, as well as historical calls for service, as part of a broader review of local fire protection services. In the event that a rural FPD could provide less costly service to a pass-through fire protection district in its geographic proximity, the CEC suggests that the existing arrangement with the city of Springfield should not preclude the examination of such an alternative. The CEC notes that, at their current level of service, some rural FPDs may not have the capacity to serve neighboring pass-throughs. However, with new funding sources and other additional revenues provided from a pass-through fire protection district, outlying FPDs will likely be able to increase capacity, possibly through stipends for daytime station staffing. The CEC suggests that any actions of the pass-through fire protection district should be taken in light of these broader regional possibilities, and not be limited by existing jurisdictional lines or historical patterns of service.

**Alternative 4** – Create a unified metropolitan fire protection district, encompassing all of Springfield and the surrounding nine pass-through districts. This alternative would standardize tax levies and eliminate all duplicative administrative, financial, and legal obligations, as in Alternative 2. However, it would also eliminate the need for the intergovernmental agreement arrangement between Springfield and surrounding entities, because if fire protection within the Springfield incorporated area were provided by an independent district, rather than the City, barriers to merging with the surrounding districts would be reduced.

In order to complete such an arrangement, a number of referenda would be necessary, both to create a fire district in the existing Springfield incorporated area and to merge the new Springfield FPD with the pass-through districts. As the entity currently providing fire protection, the City could develop a cost-sharing formula to be applied to all residents of the newly unified FPD. It may also be of benefit to consider a tiered taxing arrangement for such a district, wherein distinct levies could be set for tiers within the district based on population density, calls for service, or other relevant metrics.

This alternative presents the most challenging path toward implementation. Setting tax levy rates that take all costs into account would require thorough cost analysis and likely a public information campaign in order to ensure that all residents of affected districts would understand the implications for their property tax rates.

Coordinated petition and referendum efforts as detailed in the FPD Act would be essential to the implementation of this alternative. The CEC notes that Alternative 4 would become substantially easier to implement in the event of SB3667 or a like bill's passage, since SFD could become an independent FPD and merge with the surrounding pass-throughs in a single referendum.

## **Recommendation**

**In light of this research, the CEC recommends that the nine pass-through fire protection districts served by the City of Springfield, or select districts among this group, consider consolidating into a single district to receive continued services at lower administrative cost from the City of Springfield via intergovernmental agreement.**



**The CEC further recommends, in conjunction with these considerations, that these districts alternatively consider contracting with outlying rural fire protection districts, if deemed appropriate upon additional local review.**

The benefits of implementing the recommendation detailed above include:

- Potential to standardized tax rates across the jurisdictions that are being provided the same level of service from the same entity.
- Potential to ensure using a data-driven formula that an appropriate level of revenue for fire protection services has been set and is being collected.
- Reduced duplication of administrative functions in a consolidated district, resulting in a potential savings of over \$80,000 annually.
- Increased ease of administration for the City of Springfield due to the need to collect payment from only one district, rather than nine.

The drawbacks of implementing the recommendation detailed above include:

- Soft costs associated with the petitioning process potentially needed to consolidate the pass-through districts or select districts.
- Potential challenges associated with ensuring that all districts that merge are contiguous, in the event that only a select group of districts merges.
- Challenges associated with reorganization of the districts to provide adequate representation on a Board of Trustees.
- Challenges associated with determining which departments or districts can provide most adequate service for the existing pass-throughs, and re-considering jurisdictional lines as needed.
- Potential increase in taxes for certain districts once an appropriate cost-sharing formula is developed.

As the change in the tax rate in some of these jurisdictions may represent the most significant drawback to implementing the CEC's recommendation, the CEC has endeavored to explore a number of scenarios related to the impact on residents of combining the districts to a single, unified levy.

Assuming, for example, that each of the districts would be leveled up to the rate of the highest district, the maximum increase in levy rate would occur for Northside Fire Protection District, whose rate would increase from 0.2070 per \$100 in EAV to 0.3439. This would result in a total increase of \$60-70 annually for a \$150,000 property.

### **Steps toward Implementation**

In order to implement this recommendation, the CEC recommends that the following initial course of action would be beneficial:

- Boards of Trustees from the existing nine pass-through districts should begin analysis related to appropriate fire protection entity to provide coverage for their respective jurisdictions, as well as discussions pertaining to consolidation.
- In cooperation with the City of Springfield or an appropriate fire protection district with equipment and volunteers, representatives from the nine pass-through districts should investigate and develop appropriate cost-sharing



formulas in order to establish the appropriate or necessary tax levies to fund fire protection.

- Representatives from the nine pass-through districts should begin the petition process outlined in Section 14 of the Fire Protection District Act and work to promote any necessary changes in district boundaries or consolidation referendum.
- In the event of successful referenda, the combined FPD should continue to contract with the City or Springfield or begin to contract with a new FPD for fire protection services, and should work to ensure that all allowable Foreign Fire Insurance Funding is being collected in the newly consolidated single pass-through FPD.

The CEC is also in the process of reviewing the quality, effectiveness, and efficiency of emergency medical services (EMS) of the fire departments and fire protection districts regionally. Through the cooperation, coordination, and consolidation of the administrative efforts of these nine pass-through districts, residents of these areas could continue to receive the same level of service they currently experience while increasing operational efficiency and lowering administrative costs. Throughout its work, the CEC often identifies recurring themes that inform its future work. One such theme is the opportunity for administrative and “back office” function sharing presented through the nine pass-through districts.

Although the CEC has limited the current recommendation in scope to address these nine districts only, as they are primarily located in the urbanized area of Springfield, similar opportunities may exist in other areas of the region as well. The CEC is currently undertaking a more thorough review of opportunities for efficiency related to all fire protection and emergency medical functions in Sangamon County. Moreover, the CEC is currently undertaking analysis related to the comparative cost-efficiency of the Springfield Fire Department, and does not assume in this recommendation that the current cost level is necessarily appropriate to the level of service being provided.

Finally, the CEC notes that in the case of this recommendation, state-level statutory changes were under consideration at the time of its research and recommendation, which, if passed, would increase the likelihood that its recommendation could be implemented. The CEC intends to make recommendations concerning legislative changes it believes desirable as part of its final report in order to provide guidance to the General Assembly regarding what actions could be beneficial in making local governments in Illinois more efficient and effective. The CEC will continue to track and review this bill, or other similar proposals, as part of this legislative agenda.

The Citizens' Efficiency Commission offers its support for these implementation efforts. If the CEC can provide any further assistance in facilitating efforts toward cooperation, it would be pleased to do so.

Respectfully submitted,

Hon. Karen Hasara, Chair  
on behalf of the  
Citizens' Efficiency Commission  
for Sangamon County

## Appendix A: FIRE PROTECTION DISTRICT ANNUAL ATTORNEY DUTIES



- JANUARY:** MEETING -- Early January – post agenda over 48 hours before. (5 ILCS 120/2.02)  
Make sure bookkeeper does W-2s. Pay Trustees (70 ILCS 705/6), lawyer and bookkeeper for previous calendar year. Sign fire protection services contract, if any, with City, and mail to City. Prepare minutes and mail to Secretary.  
Economic Interests – Draft letter to County Clerk from President listing Trustees.  
Send letter to FOIA Agents and/or OMA letter to all Trustees.
- MARCH:** Contact County Board for appointment or reappointment of one Trustee. New term starts first Monday of May (70 ILCS 705/4).
- APRIL/MAY:** Make sure bond premiums are paid. Check newly appointed Trustees. File Government Ethics Statement at initial appointment. (Elected officials each May 1st) (5 ILCS 420/4A-105). Have any new officers FOIA and OMA qualify.
- JULY:** July 1 starts new fiscal year.
1. Prepare Treasurer's Report. It must be filed with County Clerk and published one time, both within 6 months of end of FY (30 ILCS 15/1 & 2). One copy is also sent to County Treasurer along with a Certificate of Compliance With Publication (Sec 3a). District Treasurer may sign it at September meeting. File and publish before December 31.
  2. Discuss levy and feasibility of a Truth in Taxation procedure with County Clerk.
  3. Prepare Budget and Appropriation Ordinance and Levy Ordinance and set date for hearing on the budget ordinance, at least 30 days after publication of notice (50 ILCS 330/3).
  4. Send copies of Budget & Levy Ordinances to Springfield Director of Budget & Management at least 30 days prior to enactment (per City contract).
  5. Truth in Taxation Certificate of Compliance (35 ILCS 200/18-55 et seq.).
  6. Prepare Certificate of Anticipated Revenues for the Treasurer to sign.
- AUGUST:** Order Audit, so preliminary papers can be signed at the September meeting.  
Prepare litigation opinion letter for the CPA,
- SEPTEMBER:**
1. MEETING - Mid-September– post agenda at least 48 hours beforehand.  
Hearing on proposed Budget & Appropriation Ordinance; adopt Ordinances.
  2. Publish Budget Ordinance and Appropriation Ordinance within one month of its passage (70 ILCS 705/7).
  3. File certified copy of Budget and Appropriation and Anticipated Revenues (35 ILCS 200/18-50) with County Clerk within 30 days of adoption. Also file certificate of compliance with Truth in Taxation Act.
  4. Review the Illinois Comptroller's Fiscal Responsibility Report Card for any errors.
  5. Late September: Make sure Annual Audit is filed with County Clerk (90 days after start of fiscal year (70 ILCS 705/6.1) and with City Director of Budget & Management. It is no longer necessary to send a copy to the State Comptroller (50 ILCS 310/2) with the AFR (See November).
- OCTOBER:** File Unclaimed Property Report with State Treasurer by Nov. 1
- NOVEMBER:** Make sure that the CPA has prepared and filed Annual Financial Report (AFR) online with the State Comptroller (This is to meet the deadline of 6 months after the end of the fiscal year. (70 ILCS 705/6.1)
- DECEMBER:**
1. Last Tuesday of December: Deadline for filing Certified Levy Ordinance with the County Clerk. (35 ILCS 200/18-15).
  2. Check to see if a Fire Protection Contract has been provided by the City.
  3. Prepare & post a Schedule of next year's Regular Meetings and a January meeting agenda under the Open Meetings Act (5 ILCS 120/2.02 and 2.03)













